REMARKS

Claims 1, 3, 4, and 7-9 have been amended; claims 2, 5-6, and 10 are original claims. The Applicant submits that the amendments made herein are fully supported in the specification, claims and the drawings, as originally filed, and therefore no new matter has been introduced. Claims 1-10 are subject to examination and pending in the present application.

In the Office Action dated November 25, 2006, the Examiner rejected claims 1-10 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,597,915 issued to Guthery ("Guthery") in view of U.S. Patent No. 6,820,063 issued to England et al. ("England") and claim 10 was rejected under 35 U.S.C. § 103(a) as being unpatentable over Guthery and England and further in view of U.S. Patent No. 6,198,669 issued to Iguchi ("Iguchi"). To the extent that the rejections remain applicable to the claims currently pending, the Applicants hereby traverse the rejection, as follows.

Claim 1, as amended, claims a semiconductor integrated circuit, including a plurality of hardware function blocks, a nonvolatile memory unit which stores coded license information indicative of a usable/unusable status separately for each of the plurality of hardware function blocks, and a decoder circuit which decodes the license information stored in the nonvolatile memory unit and makes each of the hardware function blocks separately either usable or unusable depending on the decoded license information.

The Applicants respectfully submit that neither Guthery does not disclose or suggest at least a semiconductor integrated circuit including a decoder circuit

which makes each of a plurality of hardware function blocks separately either usable or unusable depending on the decoded license information.

Guthery merely teaches authenticating applications that are running as software programs on a CPU. There is no disclosure or suggestion of making each of a plurality of hardware function blocks separately either usable or unusable, as claimed in amended claim 1. England does not cure the deficiency in Guthery, nor does Iguchi, which was applied to claim 10 in combination with Guthery and Iguchi. Therefore, the Applicants respectfully submit that claim 1, as amended, is allowable over the cited prior art for at least this reason. As claim 1, as amended, is allowable, the Applicants submit that claims 2-10, which depend from claim 1, are likewise allowable.

With regard to each of the rejections under §103 in the Office Action, it is also respectfully submitted that the Examiner has not yet set forth a *prima facie* case of obviousness. The PTO has the burden under §103 to establish a *prima facie* case of obviousness. In re Fine, 5 U.S.P.Q.2nd 1596, 1598 (Fed. Cir. 1988). Both the case law of the Federal Circuit and the PTO itself have made clear that where a modification must be made to the prior art to reject or invalidate a claim under §103, there must be a showing of proper motivation to do so. The mere fact that a prior art reference could arguably be modified to meet the claim is insufficient to establish obviousness. The PTO can satisfy this burden only by showing some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teachings of the references. Id. In order to

establish obviousness, there must be a suggestion or motivation in the reference to do so. See also In re Gordon, 221 U.S.P.Q. 1125, 1127 (Fed. Cir. 1984) (prior art could not be turned upside down without motivation to do so); In re Rouffet, 149 F.3d 1350 (Fed. Cir. 1998); In re Dembiczak, 175 F.3d 994 (Fed. Cir. 1999); In re Lee, 277 F.3d 1338 (Fed. Cir. 2002).

In the Office Action, the Examiner merely states that the present invention is obvious in light of the cited references. See, e.g., Office Action at page 3. This is an insufficient showing of motivation.

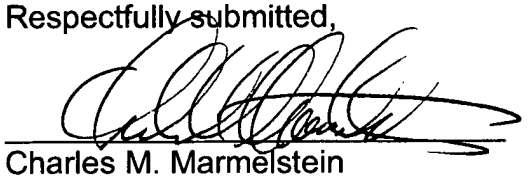
CONCLUSION

For all of the reasons set forth above, the Applicant respectfully submits that each of claims 1-10 recite subject matter that is neither disclosed nor suggested in the applied art of record, and therefore respectfully requests that claims 1-10 be found allowable and that this application be passed to issue.

If for any reason, the Examiner determines that the application is not now in condition for allowance, it is respectfully requested that the Examiner contact the Applicants' undersigned attorney at the indicated telephone number to arrange for an interview to expedite the disposition of this application.

In the event this paper has not been timely filed, the Applicant respectfully petitions for an appropriate extension of time. Any fees for such an extension, together with any additional fees that may be due with respect to this paper, may be charged to counsel's Deposit Account No. 01-2300 referencing Attorney Docket No. 100353-00093.

Respectfully submitted,



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